

AMENDED IN ASSEMBLY APRIL 16, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1406**

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**Introduced by Committee on Utilities and Commerce (Bradford (Chair), Bonilla, Fong, Garcia, Quirk, Rendon, Skinner, and Williams)**

March 13, 2013

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*An act to repeal Section 25741.5 of the Public Resources Code and to amend Section 399.11 of the Public Utilities Code, relating to energy.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1406, as amended, Committee on Utilities and Commerce. Energy: renewable energy resources.

Existing law establishes the California Renewables Portfolio Standard Program, which requires the Public Utilities Commission to implement annual procurement targets for the procurement of eligible renewable energy resources, as defined, for all retail sellers, as defined, to achieve the targets and goals of the program. *Existing law makes various legislative findings including, among other findings, a finding that the program is intended to complement the Renewable Energy Resources Program administered by the State Energy Resources Conservation and Development Commission.*

~~This bill would make a technical, nonsubstantive change to the program's legislative findings and declarations~~ *repeal the above specified legislative finding.*

*Existing law requires the State Energy Resources Conservation and Development Commission, by June 30, 2011, to study and provide to the Legislature a report that analyzes run-of-river hydroelectric*

generation facilities in British Columbia. Existing law repeals this provision on January 1, 2015.

*This bill would repeal the above provision on January 1, 2014.*

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 25741.5 of the Public Resources Code is  
2     repealed.

3     ~~25741.5. (a) By June 30, 2011, after providing public notice~~  
4     ~~and an opportunity for public comment, including holding at least~~  
5     ~~one public workshop, and following consultation with interested~~  
6     ~~governmental entities, the commission shall study and provide a~~  
7     ~~report to the Legislature that analyzes run-of-river hydroelectric~~  
8     ~~generating facilities in British Columbia, including whether these~~  
9     ~~facilities are, or should be, included as renewable electrical~~  
10    ~~generation facilities pursuant to Section 25741 or eligible~~  
11    ~~renewable energy resources pursuant to Article 16 (commencing~~  
12    ~~with Section 399.11) of Chapter 2.3 of Part 1 of Division 1 of the~~  
13    ~~Public Utilities Code.~~

14    ~~(b) By completing the study and making recommendations, the~~  
15    ~~commission shall consider the effect that inclusion would have~~  
16    ~~upon all of the following:~~

17    ~~(1) Emissions of carbon dioxide and other greenhouse gases.~~

18    ~~(2) Emissions of air pollutants.~~

19    ~~(3) Water quality, recreation, and fisheries.~~

20    ~~(4) Any other environmental impact caused by run-of-river~~  
21    ~~hydroelectric generating facilities.~~

22    ~~(c) The report submitted pursuant to this section shall be~~  
23    ~~submitted in compliance with Section 9795 of the Government~~  
24    ~~Code.~~

25    ~~(d) Pursuant to Section 10231.5 of the Government Code, this~~  
26    ~~section is repealed on January 1, 2015.~~

27    SECTION 1.

28    SEC. 2. Section 399.11 of the Public Utilities Code is amended  
29    to read:

30    399.11. The Legislature finds and declares all of the following:

31    (a) To attain a target of generating 20 percent of total retail sales  
32    of electricity in California from eligible renewable energy resources

1 by December 31, 2013, and 33 percent by December 31, 2020, it  
2 is the intent of the Legislature that the commission and the Energy  
3 Commission implement the California Renewables Portfolio  
4 Standard Program described in this article.

5 (b) Achieving the renewables portfolio standard through the  
6 procurement of various electricity products from eligible renewable  
7 energy resources is intended to provide unique benefits to  
8 California, including all of the following, each of which  
9 independently justifies the program:

10 (1) Displacing fossil fuel consumption within the state.

11 (2) Adding new electrical generating facilities in the  
12 transmission network within the Western Electricity Coordinating  
13 Council service area.

14 (3) Reducing air pollution in the state.

15 (4) Meeting the state's climate change goals by reducing  
16 emissions of greenhouse gases associated with electrical generation.

17 (5) Promoting stable retail rates for electric service.

18 (6) Meeting the state's need for a diversified and balanced  
19 energy generation portfolio.

20 (7) Assistance with meeting the state's resource adequacy  
21 requirements.

22 (8) Contributing to the safe and reliable operation of the  
23 electrical grid, including providing predictable electrical supply,  
24 voltage support, lower line losses, and congestion relief.

25 (9) Implementing the state's transmission and land use planning  
26 activities related to development of eligible renewable energy  
27 resources.

28 ~~(e) The California Renewables Portfolio Standard Program is~~  
29 ~~intended to complement the Renewable Energy Resources Program~~  
30 ~~administered by the Energy Commission and established pursuant~~  
31 ~~to Chapter 8.6 (commencing with Section 25740) of Division 15~~  
32 ~~of the Public Resources Code.~~

33 ~~(d)~~

34 (c) New and modified electric transmission facilities may be  
35 necessary to facilitate the state achieving its renewables portfolio  
36 standard targets.

37 ~~(e)~~

38 (d) (1) Supplying electricity to California end-use customers  
39 that is generated by eligible renewable energy resources is  
40 necessary to improve California's air quality and public health,

1 and the commission shall ensure rates are just and reasonable, and  
2 are not significantly affected by the procurement requirements of  
3 this article. This electricity may be generated anywhere in the  
4 interconnected grid that includes many states, and areas of both  
5 Canada and Mexico.

6 (2) This article requires generating resources located outside of  
7 California that are able to supply that electricity to California  
8 end-use customers to be treated identically to generating resources  
9 located within the state, without discrimination.

10 (3) California electrical corporations have already executed,  
11 and the commission has approved, power purchase agreements  
12 with eligible renewable energy resources located outside of  
13 California that will supply electricity to California end-use  
14 customers. These resources will fully count toward meeting the  
15 renewables portfolio standard procurement requirements. In  
16 addition, there are nearly 7,000 megawatts of additional proposed  
17 renewable energy resources located outside of California that are  
18 awaiting interconnection approval from the Independent System  
19 Operator. All of these resources, if procured, will count as eligible  
20 renewable energy resources that satisfy the portfolio content  
21 requirements of paragraph (1) of subdivision (c) of Section 399.16.